ASSEMBLY AGENDA/MANAGER'S REPORT
THE CITY AND BOROUGH OF JUNEAU, ALASKA

February 12, 2018 7:00 PM

City Hall, Assembly Chambers
Regular Meeting 2018-05 - Updated 2/9/18 - 9 am

Submitted By:

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Duncan Rorie Watt
City and Borough Manager

I. FLAG SALUTE

II. ROLL CALL

III. SPECIAL ORDER OF BUSINESS

A. **Proclamation - National Engineers Week**

IV. APPROVAL OF MINUTES

A. **January 19, 2018 Special Meeting 2018-02**
B. **January 30, 2018 Special Meeting 2018-04**

V. MANAGER'S REQUEST FOR AGENDA CHANGES

VI. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

VII. CONSENT AGENDA

A. Public Requests for Consent Agenda Changes, Other Than Ordinances for Introduction

B. Assembly Requests for Consent Agenda Changes

C. Assembly Action

1. Ordinances for Introduction

a. **Ordinance 2017-06(AC) An Ordinance Appropriating to the Manager the Sum of $200,000 as Funding for Auke Bay Marine Station Maintenance and Improvements CIP; Funding Provided by the Harbor Fund's Fund Balance.**

This ordinance would transfer $200,000 from the Harbor Fund to a new

CIP for Auke Bay Marine Station Maintenance and Improvements. Establishment of this CIP would fund a variety of preventative maintenance and repair projects. In addition a small addition of 100 lineal feet of floats would be installed to improve mooring opportunities in Statter Harbor.

The Harbor Fund has a current balance of $1,485,517. Subsequent to the transfer there would remain $1,285,517 in the Harbor Fund.

The Docks and Harbors Board, at its regular meeting on January 25, 2018, adopted a recommendation that the Assembly approve this appropriation ordinance.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

b. **Ordinance 2017-06(AD) An Ordinance Appropriating to the Manager the Sum of $480,000 as Funding for the Accessory Apartment Grant Incentive Program, Funding Provided by the Juneau Affordable Housing Fund's Fund Balance.**

This ordinance would appropriate $480,000 from the Juneau Affordable Housing Fund to the CBJ Accessory Apartment Grant Incentive Program to be used over a five-year period.

The CBJ Accessory Apartment Grant Incentive Program provides $6,000 incentive grants to homeowners for new accessory apartment units that pass a final inspection and receive a Certificate of Occupancy.

The Juneau Affordable Housing Fund has a current balance of $749,261. Beginning in FY18, the Juneau Affordable Housing Fund will receive $400,000 per year for five years from the 1% sales tax fund to pursue housing activities noted in the CBJ Housing Action Plan and the Juneau Economic Development Plan. Subsequent to the transfer the Juneau Affordable Housing Fund fund balance would be $269,261 until the 1% sales tax funds are made available.

At its January 2, 2018, meeting the Juneau Affordable Housing Commission made a motion to recommend the appropriation for the Accessory Apartment Grant Incentive Program.

At its January 10, 2018, meeting the Finance Committee recommended that an ordinance be drafted and forwarded to the Assembly for consideration.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

c. **Ordinance 2017-06(AE) An Ordinance Appropriating to the Manager the Sum of $200,000 as Funding for Archipelago Property Development CIP; Funding Provided by the FY18 Dock's Licenses/Fees Revenue.**

This ordinance would transfer funds from the FY18 operating budget to a new CIP for Archipelago Property Development. The funds would be used to develop a preliminary design from plan concepts; generate cost estimates for implementation of the designs; prepare a draft purchase agreement; and include other associated tasks to answer questions regarding the acquisition and development of the Archipelago property.

As this funds transfer would exceed the budgetary authority for the Docks enterprise in FY2018, the Assembly is asked to approve a supplemental budget in the amount of $200,000.

The Docks and Harbors Board is scheduled to consider this supplemental budget request at a special meeting on February 8, 2018.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

d. **Ordinance 2017-06(AF) An Ordinance Appropriating to the Manager the Sum of $75,000 as Funding for Intervention in Docket U-17-097 with the Regulatory Commission of Alaska, Funding Provided by the General Fund's Fund Balance.**

This Ordinance would appropriate $75,000 to fund the costs associated with CBJ's participation as an Intervenor, in the matter before the Regulatory Commission of Alaska, where Hydro One Limited is seeking authority to acquire control of Alaska Electric Light & Power Company. AEL&P is the power utility for Juneau. On July 1, 2014, Avista Corp, based in Washington bought out AEL&P's parent Alaska Energy and Resources Company. On July 20, 2017, Avista Corp. announced they would join forces with Hydro One.

The Assembly Finance Committee took up this matter at its meeting on January 10, 2018.

The Assembly Committee of the Whole unanimously recommended this at their meeting of February 5, 2018.

The City Manager recommends this ordinance be introduced on February 12, 2018, and set for public hearing at a Special Assembly meeting on February 26, 2018.

e. **Ordinance 2017-23(c) An Ordinance Amending the Land Use Code**

Relating to Essential Public Facilities.

This ordinance would provide a process for permitting a facility that will provide an essential public service in a location not otherwise authorized under the Table of Permissible Uses and that would otherwise be extremely difficult to site.

The proposed permitting process closely follows the conditional use permit process. The key distinguishing differences are the proposed facility does not have to be a permissible use as specified in the Land Use Code, and the process is reserved for only those developments that will be providing an essential public service.

The Planning Commission reviewed the ordinance at its August 8, 2017, and September 12, 2017, meetings and recommended the Assembly adopt it. The Assembly Committee of the Whole considered the ordinance at its March 20, 2017, October 23, 2017, and January 29, 2018, meetings.

At its meeting on January 29, 2018, the committee recommended amendments, which are identified by the bold italicized and strike-through language in version (c) of the ordinance.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

f. **Ordinance 2018-06 An Ordinance Amending the Land Use Code Relating to Setbacks for Energy Efficiency Improvements.**

A significant number of buildings in the community are built to the maximum setback line, and many older homes encroach into setbacks. Many of those property owners have requested to add exterior insulation to their homes and offices in order to increase their energy efficiency, but under current code, setback encroachments are generally prohibited.

The code does, however, provide for certain exceptions to that general rule for things like roof eaves, sheds, and decks. This ordinance would amend that provision, CBJ 49.25.430, to add a setback exception for exterior insulation to encroach up to eight inches into a setback. (Eight inches was determined to be a reasonable number given our climate, insulation materials, and types of existing buildings.) On balance, this ordinance would increase the energy efficiency of buildings and help the community achieve its sustainability goals without significantly impacting adjacent property owners.

The Title 49 Committee discussed this ordinance in the fall of 2017. The Planning Commission recommended the Assembly adopt this ordinance at

its meeting on January 23, 2018.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

g. **Ordinance 2018-07 An Ordinance Amending Title 72 of the City and Borough of Juneau Code Relating to Driving Without a License.**

Alaska Statute 28.01.010 prohibits municipalities from enacting traffic ordinances that are inconsistent with state law.

AS 28.01.010, the state law requiring drivers to be licensed, was amended from a misdemeanor offense to an infraction.

This ordinance would amend the corresponding CBJ offense (CBJ 72.10.065), from a B misdemeanor to an infraction, as required by state law.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

h. **Ordinance 2018-08 An Ordinance Amending the Land Use Code Related to Roadway Construction Standards.**

This ordinance would amend Title 49 to establish a process by which the Community Development Director and the Planning Commission can waive street standards for street reconstruction projects when warranted by the circumstances.

The Planning Commission is scheduled to review this ordinance on February 13, and the Public Works and Facilities Committee is scheduled to review it on February 26.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

2. Resolutions

a. **Resolution 2808 A Resolution Adopting the Juneau Renewable Energy Strategy.**

This resolution would adopt the Juneau Renewable Energy Strategy as an aspirational document to be used to inform future decision-making and policy. Adoption of this strategy is not intended to commit the City and Borough to a particular action, schedule, or methodology.

On July 25, 2015, a draft version of the Renewable Energy Strategy was presented to the Assembly. This draft was the basis for public consultation, and a series of well-attended public information and education sessions on a variety of energy–related topics that are relevant

to the strategy document. The Juneau Commission on Sustainability and staff have further refined the strategy document taking into account public feedback. At its June 13, 2017, meeting, the Juneau Commission on Sustainability voted to move the amended Juneau Renewable Energy Strategy to the Assembly for support. The Assembly Committee of the Whole considered the plan at its meeting on January 29, 2018, and approved forwarding the plan to the Assembly for adoption by resolution.

The City Manager recommends this resolution be adopted.

3. Bid Award

   a. **Bid Award - Waterfront Facilities Corrosion Control**

   This project provides corrosion protection for the steel sheet pile wall and associated metal elements of the Marine Park bulkhead. The work includes installation of an impressed current cathodic protection system; electrical improvements; and other associated work.

   A public bid opening occurred on February 2, 2018. The Docks and Harbors Board was scheduled to review the bids at a special Board Meeting on February 8, 2018.

   The City Manager recommends the bid be awarded to Island Contractors, Inc. in the amount of $228,440.

4. Liquor License

   a. **Liquor License Renewals 2018/2019**

   The following 2018/2019 liquor license renewal applications received from the Alcohol Beverage Control Board are before the Assembly for one of the following actions: to protest, waive its right to protest, or refer this matter to the Assembly Human Resources Committee for additional review and recommendation.

   The local governing body's 60-day comment period expires as of March 10 and March 12 respectively for the below licenses. If the Assembly should choose to take action other than waive its right to protest, special meetings would need to be scheduled to take action prior to the expiration of the 60-day comment period.

   License #3695 South of the Bridge, LLC d/b/a Louie's Douglas Inn (Beverage Dispensary License); Location: 915 3rd Street, Douglas

   License #4943 Specialty Imports Inc. d/b/a Specialty Imports (General Wholesale License); Location: 540 W. 8th Street,

Juneau

Staff from the Finance, Fire, Public Works/Utilities, Police, and Community Development departments have reviewed the above renewals and recommend the Assembly waive its right to protest these renewals. CBJ Code 20.25.025 sets out the basis by which the Assembly may protest a license renewal.

The City Manager recommends the Assembly waive its right to protest the above-listed liquor license renewals for the 2018/2019 renewal period.

5. Transfers

   a. **Transfer T-996 Transfer of $1,160,282 from 14 CIPs to 6 Existing CIPs and 3 New CIPs.**

   This transfer is the result of closing 10 CIPs. These funds will be transferred to similar projects in need of funding. The highlights are as follows:

   · 10 CIPs will be closed following the transfer of funds.
   · Three new CIPs are being created – Transit Electronic Fare Boxes, Glacier Fire Station HVAC Improvements and Sitka Street Reconstruction.
   · Funds are being transferred to six existing CIPs to provide additional funds necessary to complete the projects.

   These transfer requests were forwarded by the Assembly Public Works and Facilities Committee on January 8, 2018, and January 29, 2018.

   The City Manager recommends these transfers and closeouts be approved.

VIIIPUBLIC HEARING

A. **Ordinance 2017-06(AB) An Ordinance Appropriating to the Manager the Sum of $74,918 as Funding for the 2015 State Homeland Security Program/SHSP; Grant Funding Provided by the State of Alaska Department of Military and Veterans Affairs.**

These funds are being provided to reimburse the CBJ for additional expenses incurred in direct support of the goals and activities of the State Homeland Security Program. The grant performance period is from September 1, 2015 to March 31, 2018.

There is no match requirement for this grant.

The City Manager recommends this ordinance be adopted.

B. **Ordinance 2018-02 An Ordinance Authorizing the Manager to Convey Property Located on Egan Drive between West 10th Street and Main Street to the Alaska Department of Transportation and Public Facilities.**

The Alaska Department of Transportation & Public Facilities applied for a direct negotiated sale of 507 square feet (a fraction of Lot 3, USS 3566) across Egan Drive from Centennial Hall in order to facilitate the state's reconstruction of Egan Drive between Tenth Street and Main Street. Along with the negotiated sale, ADOT&PF requested the CBJ grant the State eight permanent easements and ten temporary easements along Egan Drive for the same purpose.

The Assembly passed a motion authorizing the manager to negotiate the sale at its July 31, 2017, meeting. The Harbor Board heard the issue at its August 7, 2017, meeting and adopted the Lands Division's recommendation for approval. The City/State Project proposal in its entirety (encompassing both the sale and the easements) was brought to the Planning Commission at its August 8, 2017, meeting. The Commission voted to recommend to the Assembly approval of the project with two conditions to the disposals of land (both the negotiated sale and the easements.)

After the Commission considered the project and while negotiating the direct sale, it was determined that in lieu of the eight permanent easements, it was in the best interest of both parties for the CBJ to instead sell the property that had been contemplated for the permanent easements. (ADOT&PF's federal grant requires it to have exclusive control over the property. If that condition were granted the State as part of an easement, the CBJ would carry liability exposure for property over which it would have no control.)

This ordinance would authorize the sale of all property previously identified for disposal by permanent easement, as well as the fraction of Lot 3, USS 3566 originally sought by ADOT&PF, for the appraised, fair market value.

The City Manager recommends this ordinance be adopted.

C. **Resolution 2810 A Resolution Authorizing the Manager to Convey Easements to the Alaska Department of Transportation and Public Facilities along Egan Drive from 10th Street to Main Street.**

The Alaska Department of Transportation & Public Facilities requested ten temporary construction easements across CBJ property to facilitate the reconstruction of Egan Drive between Tenth Street and Main Street. The project will include the widening of sidewalks to ADA standards, adding bike lanes where appropriate and updating intersections and pedestrian facilities. These easements are part of a larger disposal, identified in Ordinance 2018-02.

The Lands Committee reviewed this request and approved a motion of support in favor of granting the easements at its August 7, 2017, meeting. The Planning

Commission provided a recommendation to the Assembly for granting these easements at its August 8, 2017, meeting.

The fair market value of the easements was determined by appraisal to be $13,785.

The City Manager recommends this resolution be adopted.

D. **Ordinance 2018-05 An Ordinance Authorizing the Manager to Execute Approach Road Approval to Construct Permit Agreement (#27037) with the Alaska Department of Transportation and Public Facilities.**

In order to complete construction of a road leading from the Pederson Hill Subdivision to Glacier Highway as required by Title 49, the CBJ must obtain approval (an approach road permit) from the Department of Transportation and Public Facilities (ADOT&PF).

State regulations (17 AAC 10.020(c)) require ADOT&PF to include an indemnity provision from the permittee to the State in all approach road permits.

Normally the CBJ is prohibited by Charter section 9.13(a)(which is substantially similar to Article IX, section 13 of the Alaska Constitution) from contractually agreeing to indemnify another party. (Charter sec. 9.13 prohibits the CBJ from incurring an obligation absent an appropriation for that purpose. An indemnity provision is an agreement to compensate the other party for any harm or loss arising out of the agreement, such as paying any judgment or damages, and oftentimes defending the other party in any legal action.) The Charter carves out a limited exception, however, allowing the Assembly, by ordinance, to require the payment of funds from appropriations of a later year (or for more than one year) for any federal or state grant, contract, lease, program, etc., without which the municipality would not be able to participate.

This ordinance would allow the City Manager to execute the approach road permit, which includes an indemnity provision, in accordance with Charter section 9.13(c), as required by 17 AAC 10.020(c).

Version (b) of the ordinance attaches the State's January 25, 2018, letter on the indemnification letter as an exhibit to the ordinance. The Committee of the Whole considered this ordinance at its January 29, 2018, meeting and approved forwarding it to the full assembly for public hearing.

The City Manager recommends this ordinance be adopted.

IX. UNFINISHED BUSINESS

A. **Juneau Seventh-Day Adventist Christian School v. CBJ Assessor Office**

Additional motions were received after this agenda packet was closed and printed. The Presiding Officer will provide updated information at the meeting.

X. NEW BUSINESS

A. **Regulation Vessel Anchoring Requirements - Docks and Harbors**

The Docks & Harbors Board held a public hearing at its January 25, 2018, regular board meeting to establish new regulations pertaining to anchoring on CBJ-owned tidelands. 05 CBJAC 40.065 (Anchoring Out Requirements) would assert authority to regulate vessels anchored on submerged lands owned by the City & Borough of Juneau. The drafted regulations would allow vessels to anchor for a 24-hour period without restriction. Anchoring for longer periods would require either a short-term or long-term permit issued by Docks & Harbors.

The proposed regulations were vetted through the Docks & Harbors Operations-Planning Committee and publicly advertised for a minimum of 21 days prior to the board hearing and action. The board received no written comments on the new regulation; one member of the public provided testimony at the public hearing.

In reviewing proposed regulations, CBJ 01.60.260 provides that the Assembly may:
1. Take affirmative action to approve the regulation.
2. Take affirmative action to disapprove the regulation. (If the Assembly disapproves the regulation, the Assembly may state its reasons for doing so, but it may not specify explicit conditions for subsequent approval or direct the requesting department to adopt any particular amendments to the regulation.)
3. Allow the regulation to take effect and be deemed approved by not actively considering the regulation. (The Assembly's historical practice is to move 'orders of the day,' requiring the body to consider the next item on its agenda without active consideration of the regulation in order to allow the regulation to take effect without explicit Assembly action.)
4. Direct that an ordinance or resolution in lieu of the regulation be prepared for its consideration.

XI. STAFF REPORTS

XII. ASSEMBLY REPORTS

A. Mayor's Report

B. Committee Reports, Liaison Reports, Assembly Comments and Questions

C. Presiding Officer Reports

XIII. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

XIV. EXECUTIVE SESSION

A. **Update on CBJ's Open Litigation**

XV. ADJOURNMENT

XVISUPPLEMENTAL MATERIALS

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org